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ABSTRACT

Information on the states' progress in implementing 14 provisions of the 1984 Child Support Enforcement Amendments is provided in this report, which also summarizes the states' opinions on the effects of the amendments on five enforcement activities. Responses to questionnaires indicated that, as of March 31, 1986, only Oregon had fully implemented all 14 provisions and only 1 provision had been fully implemented by all states. More states had implemented the six provisions not requiring state legislation than the eight that do. States most commonly reported not implementing one or more of the eight provisions because the required state legislation had not been enacted. All states reporting such information expected enactment by October 1, 1987. Regarding the six provisions not requiring legislation, all states reporting such information expected implementation by December 31, 1986. The most frequently cited reasons for implementation delays were (1) administrative procedures were not developed or in effect or, (2) regarding the annual notices provision, needed changes in the states' automated data processing systems had not been made. Overall, states were more optimistic about the amendments' potential effect on nationwide enforcement than on their own state's enforcement. (RH)

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United States General Accounting Office

GAO

Report to the Chairman, Subcommittee on Public Assistance and Unemployment Compensation, Committee on Ways and Means
House of Representatives

October 1986

CHILD SUPPORT

States' Progress in Implementing the 1984 Amendments

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United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-221078

October 3, 1986

The Honorable Harold E. Ford
Chairman, Subcommittee on Public Assistance
and Unemployment Compensation
Committee on Ways and Means
House of Representatives

Dear Mr. Chairman:

This report is the second we have issued in response to your August 8, 1985, request. The first report, issued on December 24, 1985, provided preliminary information on the states' implementation of selected 1984 Child Support Enforcement Amendments. This report presents more complete information on the states' progress in implementing 14 provisions of the amendments. It also summarizes the states' opinions on the effects of the amendments on five enforcement activities.

We obtained official comments from the Department of Health and Human Services on the matters discussed in this report and considered those comments in its preparation.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from its issue date. At that time, we will send copies to other interested congressional committees and members; the Secretary of Health and Human Services; the Director, Office of Child Support Enforcement; the directors of the states' child support agencies; and other interested parties. We will also make copies available to others upon request.

Sincerely yours,

Richard L. Fogel

Richard L. Fogel
Assistant Comptroller General

Executive Summary

Purpose

According to the Bureau of the Census, unpaid child support in 1983 totaled $3 billion. To address this problem, the Congress enacted the 1984 Child Support Enforcement Amendments, which were designed to strengthen states' child support enforcement and improve support collections.

The Chairman, Subcommittee on Public Assistance and Unemployment Compensation, House Committee on Ways and Means, requested GAO to survey states' progress in implementing 14 selected provisions. Among other matters, Chairman Ford asked GAO to determine for each state

- whether state legislation—required before certain provisions could be implemented—had been enacted;
- what were the expected enactment and implementation dates; and
- what caused any delays in implementing the provisions.

GAO also obtained states' opinions about the amendments' potential effect on child support enforcement.

Background

The Child Support Enforcement program was established in 1975 to require absent parents to support their children and thus offset Aid to Families With Dependent Children (AFDC) spending. Under the program, administered by the Office of Child Support Enforcement in the Department of Health and Human Services (HHS), state and local child support agencies locate absent parents, establish paternity, obtain support orders, and enforce support collections.

Despite significant accomplishments since the program's inception, continuing, widespread parental evasion of child support led the Congress to enact the Child Support Enforcement Amendments in August 1984. The amendments include 28 provisions that mandate proven collection techniques, strengthen the requirement that services be made available to both AFDC and non-AFDC families, and otherwise improve the program. GAO was requested to review 14 of the provisions—8 that required state legislation for implementation and 6 that did not. Most provisions reviewed were effective on October 1, 1985.

The eight provisions requiring state legislation are aimed primarily at improving collections through such means as wage withholding for all child support cases, including those enforced outside the child support program, and allowing the withholding of overdue payments from state tax refunds. The six provisions not requiring state legislation include

such procedures as annually notifying AFDC clients of support payments collected in their name and requiring an application fee not to exceed $25 for non-AFDC clients receiving child support services.

Although GAO did not independently verify states' responses to its questionnaire, it compared and reconciled them with information maintained by the Office of Child Support Enforcement. GAO reconciled data as of March 31, 1986.

Results in Brief

As of March 31, 1986, only Oregon had fully implemented all 14 provisions and only 1 provision (appointing state commissions on child support) had been fully implemented by all states. More states had implemented the six provisions not requiring state legislation than the eight that do. States most commonly reported not implementing one or more of the eight provisions because the required state legislation had not been enacted. All states reporting such information expected enactment by October 1, 1987.

Regarding the six provisions not requiring legislation, all states reporting such information expected implementation by December 31, 1986. The most frequently cited reasons for implementation delays were (1) administrative procedures were not developed or in effect or, (2) regarding the annual notices provision, needed changes in the states' automated data processing systems had not been made.

Overall, states were more optimistic about the amendments' potential effect on nationwide enforcement than on their own state's enforcement.

Principal Findings

All 50 states and the District of Columbia responded to GAO's questionnaire survey. As shown in table 1, the number of states that had fully implemented the provisions requiring state legislation ranged from 3—for the wage-withholding and state tax refund offset provisions—to 45 for permitting the establishment of paternity until at least a child's 18th birthday. Most states had implemented all six provisions that do not require state legislation.

Table 1: States' Implementation of the 14 Child Support Provisions Reviewed by GAO

Provisions	Number of states fully implementing as of March 31, 1986	HHS-supplied data on fully implemented states as of August 15, 1986[a]
Requiring legislation:		
Mandatory wage withholding	3	11
State tax refund offset	3[b]	18
Wage withholding in non-IV-D orders[c]	27	37
Expedited processes	5	15
Liens	34	39
Paternity statutes	45	47
Posting security/bond	27	36
Consumer reporting agencies	18	29
Not requiring legislation:		
Annual notices	26	46
Application fee	45	51
Spousal/child support	43	51
Extending Medicaid eligibility	44	48
Federal tax refund offset	48	51
Child support commissions	40[d]	40

[a]Data provided to GAO by HHS in its comments on GAO's draft report. GAO did not reconcile these data with information from the states.

[b]Ten states without an income tax were exempted from the requirement.

[c]Those enforced outside the state's child support agency.

[d]The requirement was waived for 11 states because they met certain federally specified conditions.

Regarding mandatory wage-withholding and state tax refund offset—the two provisions anticipated by the Office of Child Support Enforcement to have the most potential effect on child support enforcement—states that, at a minimum, had enacted the major requirements of the provisions represent 40 percent and 72 percent, respectively, of the 1984 national child support caseload. Progress in implementing the two provisions, however, varied widely among the states. According to the office's Deputy Director for Policy, Program, and Audit, the office is considering alternatives to hasten implementation, such as providing improved technical assistance or imposing monetary sanctions on the federal share of states' child support funding.

GAO compared its questionnaire responses with Office of Child Support Enforcement records. In reconciling differences, GAO discussed with

office officials the following concerns about the office's oversight of states' implementation.

1. There were communications problems between the office and the states regarding amendments' requirements. As a result, states reported having implemented provisions when required state legislation had not been enacted.

2. States' self-reports of implementation to the office may not provide reliable information. According to office officials, the office's audit process should verify whether states have and use required procedures.

3. The office was not maintaining a complete record of states' revised implementation dates, which could hamper adequate monitoring of implementation time frames. Subsequent to GAO's discussions with office officials, the office strengthened its monitoring efforts.

Sixty-two percent of the states believed that the amendments would have an extremely positive effect on enforcement nationwide, whereas 40 percent believed the amendments would have this effect in their own states. Also, more states believed that the amendments would greatly help in collecting and enforcing support payments than in establishing paternity, locating absent parents, obtaining support orders, or enforcing interstate cases.

Recommendations

GAO is making no recommendations.

Agency Comments

In commenting on the draft report, HHS expressed concerns that the report did not provide sufficient detail on its monitoring and oversight activities; adequately explain states' required implementation dates; and reflect implementation progress after GAO's review period ended.

These comments, included as appendix V, were considered in completing the report. GAO's evaluation of them appears on pages 37 and 41.

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Abbreviations

AFDC	Aid to Families With Dependent Children
GAO	General Accounting Office
HHS	Department of Health and Human Services
OCSE	Office of Child Support Enforcement

Introduction

Program Background

The Child Support Enforcement program, authorized by title IV-D of the Social Security Act, is a federally administered, state-run program requiring absent parents to support their children, thereby offsetting Aid to Families With Dependent Children (AFDC) spending. Under the program, established in 1975, state and local child support agencies help to locate absent parents, establish paternity, obtain support orders, and enforce support collections.

The federal government currently pays 66.65 percent of state and local agencies' total child support administrative expenses, which in fiscal year 1986 amounted to an estimated $662 million. Since October 1985, the federal government also has made incentive payments to states that equal from 6 to 10 percent of collections they make on behalf of AFDC and non-AFDC families. The Office of Child Support Enforcement (OCSE) in the Family Support Administration of the Department of Health and Human Services (HHS) administers the program.

At the program's inception, to qualify for federal funding, each state was required to establish a federally approved state plan describing the nature and scope of the state program and assuring that it would be administered in conformance with federal law. States are required to amend their plans to reflect new federal statutes or regulations and material changes in a state law, organization, or policy relating to child support.

The Child Support Enforcement program can point to significant accomplishments. For example, between 1976 and 1981, annual collections more than tripled from $512 million to $1.6 billion. Also, from 1978 to 1984, annual paternity determinations nearly doubled to 219,000, and the number of support orders established increased from 315,000 to 573,000.

Despite these accomplishments, according to the Bureau of the Census, unpaid child support in 1983 totaled $3 billion. Further, although most of the 8.4 million female-headed families (AFDC and non-AFDC) in 1981 should have been receiving child support payments, obligations had been established for only 4 million.

The 1984 Amendments

Alarmed at the continuing parental evasion of child support responsibilities and the consequent social and economic effects, the Congress enacted the Child Support Enforcement Amendments of 1984 (Public Law 98-378) in August 1984. The amendments contain 28 provisions

designed to improve the program's effectiveness, including (1) mandating proven collection techniques, (2) strengthening the existing requirement that services be made available to non-AFDC families, and (3) strengthening interstate child support enforcement. The amendments we reviewed generally required states to have procedures in place by October 1, 1985. For eight of the provisions—those mandating the use of certain procedures to improve the enforcement and collection of child support—states are required to enact laws effective by October 1, 1985, unless a state qualifies for an implementation delay or exemption.

Where a state law is needed to implement one or more of the provisions, but has not been enacted by October 1, 1985, the amendments authorize the Secretary of HHS to grant an implementation delay (see p. 35). The Secretary may also grant a state an exemption from enacting or implementing one or more of the eight provisions requiring state law if the state can prove that the provision would not increase its program's effectiveness and efficiency. Also, if a state can prove that the provision requiring the use of expedited processes for obtaining and enforcing child support would not increase its program's timeliness and effectiveness, it may be exempted in one or more of its political subdivisions. In addition, a state is exempted from the state income tax offset provision if it has no such tax.

States that have not been granted exemptions and have not implemented one or more of the provisions within the required time frames may be found out of compliance with federal law and subject to penalties.

Since passage of the amendments, OCSE—through its 10 regional offices—has tracked and monitored states' enactment and implementation progress. Regional reports to OCSE headquarters on this progress are updated quarterly.

Objectives, Scope, and Methodology

In an August 8, 1985, letter from the Chairman, Subcommittee on Public Assistance and Unemployment Compensation, House Committee on Ways and Means, and in later discussions with his office, we were requested to determine the status of the states' implementation of 14 provisions of the Child Support Enforcement Amendments of 1984.

We did our review in two phases. At the conclusion of the first phase, we issued a briefing report[1] —based on a telephone survey of the 50 states and the District of Columbia—on states' implementation of 9 of the 14 provisions. For the second phase of the review—based on a questionnaire survey of the states, whose responses we reconciled with OCSE data—we reviewed the states' progress in implementing all 14 selected provisions.

Due to time constraints during the first phase, we did not reconcile states' telephone responses with information collected by OCSE or request OCSE, as we did during second-phase work, to investigate and resolve the discrepancies. Our second-phase reconciliation process, discussed on page 38, disclosed that states often reported full implementation without having enacted certain required legislation. Overall, the states' telephone responses reported in our December 1985 report overstated their actual implementation status; therefore, that report should be used only in conjunction with the results of our second-phase work.

The 14 provisions we reviewed are as follows:

- providing for mandatory wage withholding for all cases handled by the state's child support agency;
- withholding of state income tax refunds;
- including a wage-withholding provision in all new and modified support orders in the state, including those enforced outside the child support program;
- using expedited processes under the state judicial system or under state administrative processes to establish and enforce child support;
- placing liens on real and personal property to enforce support orders;
- requiring bonds, securities, or other guarantees to enforce support;
- placing no limitations on paternity actions until at least the child's 18th birthday;
- making information available regarding cumulative overdue support payments to consumer reporting agencies;
- annually notifying each AFDC client of the amount collected in his or her name;
- charging non-AFDC clients an application fee not to exceed $25 for child support services;
- collecting child and spousal support under certain circumstances;

[1] States' Implementation of the 1984 Child Support Enforcement Amendments (GAO/HRD-86-40BR, Dec. 24, 1985).

- extending Medicaid eligibility when support collection results in termination of AFDC eligibility;
- extending to non-AFDC minor children the system for withholding past-due support from federal tax refunds; and
- appointing state commissions on child support.

For each state, we were requested to determine, by provision:

- whether state legislation was needed before implementation could occur;
- whether the required state legislation had been enacted;
- what were the expected enactment and implementation dates;
- what caused any delays in implementing the provisions; and
- whether states had been granted delays in implementation.

In addition, for the mandatory wage-withholding provision, we agreed to obtain information from each state on the extent to which five specific procedures required by the provision have been implemented.

As agreed with the Chairman's office, we also obtained states' views on the potential effect the amendments will have on child support enforcement.

We conducted a mail questionnaire of all 50 states and the District of Columbia[2] to determine the progress they had made, as of January 1, 1986, in fully implementing 13 of the 14 provisions. To determine the states' implementation of the other provision—appointing state commissions on child support—we used information obtained by OCSE. We defined "fully" as the implementation of all requirements of the provision in all jurisdictions of the state. We pretested the survey instrument in three states (New York, Pennsylvania, and Florida) and the District of Columbia to develop questions that would help ensure accurate and reliable responses. The pretest visits were made between October and December 1985, and the questionnaire was mailed to the state child support directors on January 2, 1986.

We obtained responses from all states. As arranged with the Chairman's office, we compared these responses with similar information collected by OCSE and attempted to reconcile any differences. We paired the responses regarding enactment and implementation status with state-by-state information tracked by OCSE's 10 regional offices. We used

[2]We agreed not to survey the three U.S. territories (Guam, Puerto Rico, and the Virgin Islands) that also participate in the program.

information reported by OCSE for the quarter ending December 31, 1985. OCSE does not collect information on states' implementation of specific procedures of each provision. Therefore, we compared states' responses regarding implementation of specific procedures of the mandatory wage-withholding provision with information reported by OCSE on states' enactment of each procedure of the provision.

Overall, we found discrepancies in 264 of 1,071 (25 percent) pairs of data items. We discussed the discrepancies with OCSE headquarters officials, who helped us reconcile the discrepancies through telephone discussions with regional OCSE officials. We were also provided with supporting documentation, such as OCSE's March 31, 1986, quarterly updates of states' enactment and implementation status—the most recent available at the time of our review. In addition, the officials gave us regional analyses of states' legislation. Based on our review of the supporting documentation provided by OCSE officials and, in some instances, our telephone conversations with state child support officials, we reconciled all but 28 of the 264 discrepancies, representing 3 percent of the total 1,071 pairs of data items. This report discusses information as reconciled. For information that we could not reconcile, we reported states' responses to our questionnaire. In the process of reconciling discrepancies, we noted and discussed with OCSE officials our observations regarding OCSE's oversight and enforcement of states' implementation of the amendments.

For the wage-withholding and state tax refund offset provisions, we looked at states' implementation in terms of their child support caseloads. We used 1984 caseloads, the most recent year for which OCSE has reported such information.

In addition, to obtain information regarding federal approvals of states' requests for exemptions and implementation delays, we interviewed OCSE officials and reviewed OCSE documents and records. We also obtained information from OCSE about the extent to which states' legislation meets federal requirements.

As agreed with the Chairman's office, because of the time it would have taken, we did not verify the states' responses to our questionnaire or independently determine whether the states' laws and procedures comply with federal requirements. Also, we did not verify information provided to OCSE by the states. We believe our reconciling of the states' responses with OCSE information and the agency's efforts to obtain additional information to resolve discrepancies resulted in more accurate

enactment and implementation information. However, our methodology would not identify inaccurate responses in those cases where both we and OCSE were provided with consistent but inaccurate information.

We did our audit work between December 1985 and May 1986, and obtained supplemental information through October 1, 1986.

States' Progress in Implementing the Amendments

Under Public Law 98-378, the states were required to implement by October 1, 1985, 12 of the 14 provisions we reviewed. The provision extending Medicaid eligibility after AFDC assistance ends was effective upon enactment of the law and the provision requiring the governors of each state to appoint a state child support commission was to be implemented by December 1, 1984. To implement eight of the provisions, in addition to having state procedures to carry out the federal requirements, states are required to have in place necessary legislation. The states could delay implementation beyond October 1, 1985, if they had not enacted needed legislation by that date. (See p. 35.) The eight provisions are (1) mandatory wage withholding, (2) wage withholding for child support cases not handled by the IV-D agency, (3) expedited processes, (4) state tax refund offset, (5) liens, (6) posting security/bond, (7) paternity statutes, and (8) making overdue support data available to consumer reporting agencies.

For six of the provisions, the amendments did not require states to enact legislation for implementation. To meet their own legal requirements, however, states may need to enact legislation to implement these provisions. The six provisions are (1) annual notices to AFDC families of the support amount collected, (2) application fees for non-AFDC cases, (3) collection of child and spousal support in certain circumstances, (4) extending Medicaid eligibility after AFDC benefits stop, (5) federal tax refund offset, and (6) appointing state child support commissions.

Table 2.1 shows the states' implementation status for the 14 provisions we reviewed as of March 31, 1986. As of March 31, 1986, generally, more states had implemented the provisions not requiring state legislation than those requiring it. Also, only Oregon had fully implemented all provisions and only one provision (appointing state commissions) had been fully implemented by all states.

Table 2.1: States' Implementation Status: 14 Selected Provisions (March 31, 1986)

	Fully implemented	Not fully implemented	Percentage of states fully implemented[a]	HHS-supplied data on fully implemented states as of August 15, 1986[b]
Provisions requiring state legislation:				
Mandatory wage withholding	3	48	5.9	11
State tax refund offset[c]	3	38	7.3	18
Wage withholding in non-IV-D orders	27	24	52.9	37
Expedited processes	5	46	9.8	15
Liens	34	17	66.7	39
Paternity statutes	45	6	88.2	47
Posting security/bond	27	24	52.9	36
Consumer credit	18	33	35.3	29
Provisions not requiring state legislation:				
Annual notices	26	25	51.0	46
Application fee	45	6	88.2	51
Spousal/child support	43	8	84.3	51
Medicaid eligibility	44	7	86.3	48
Federal tax refund offset	48	3	94.1	51
Child support commissions[d]	40	0	100.0	40

[a]Percents are based on 50 states and the District of Columbia unless otherwise indicated.

[b]These data were provided to us by HHS in its comments on our draft report. We did not reconcile this information with information from the states.

[c]Ten states were exempted from the requirement because they do not have a state income tax. Percent is based on 41 states.

[d]Eleven states were granted a waiver for appointing child support commissions because they met one or more required conditions. Percent is based on 40 states.

Note: Fully implemented status includes exemptions granted based on the states' current or similar existing procedures which meet federal law requirements.

There was varying progress among states in implementing the wage-withholding and state tax refund offset provisions—the two provisions expected to have the most impact nationwide on child support enforcement. States that have enacted the major requirements of the mandatory wage-withholding and state tax refund offset provisions represent about 40 percent and 72 percent, respectively, of the national child support caseload.

The amendments permitted the Secretary of HHS to grant an exemption from one or more of the eight provisions requiring state law if a state

could prove that the provision would not improve its program's efficiency or effectiveness. As of March 31, 1986, OCSE had granted 22 exemptions and disapproved 2.

The amendments permitted states to delay implementation if state legislation was not in place by October 1, 1985. In such cases, a state has until the beginning of the fourth month beginning after the end of its first legislative session that ends on or after October 1, 1985, to enact and implement the required legislation. Because OCSE's records did not contain the information, we could not identify from available OCSE data all states' delayed implementation dates.

As of June 6, 1986, OCSE had notified four states that they had exceeded their implementation time frames or would shortly for one or more of the provisions requiring state legislation. Subsequently, the states took required actions.

The following sections describe states' status as of March 31, 1986, in implementing the 14 provisions we reviewed. See appendix I for details on states' implementation status by provision. See appendix II for a summary of states' questionnaire responses.

Provisions Requiring State Legislation

The eight provisions requiring state legislation mandate certain procedures that have proven to increase the effectiveness of state programs and have been used by some states since the inception of the Child Support Enforcement program in 1975. The number of states that had fully implemented or were granted exemptions from implementing the eight provisions requiring state legislation ranged from 3 each for mandatory wage withholding and state tax refund offset[1] to 45 for paternity statutes. The most common reason for not fully implementing one or more of the provisions was that all required state legislation had not yet been enacted. All states reporting such information expected enactment by October 1, 1987. In 57 of the 85 cases in which states reported expected enactment dates, states said they expected enactment by July 1, 1986. As of June 30, 1986, according to OCSE's most recent available data, states had fully enacted legislation in 8 of these 57 cases.

[1]Ten states were exempt from implementing this requirement because they have no state income tax.

Mandatory Wage Withholding

The amendments require states to enact legislation, if none presently exists, mandating wage withholding to be triggered in IV-D cases whenever an arrearage accrues that is equal to the amount of support payable for 1 month. Withholding is to begin without amending the support order or further court action and applies to all new and existing cases. New cases are those opened after October 1, 1985—the effective date of the provision. The amendments also specify other elements of the wage-withholding system for IV-D cases, such as the basis for appeal, maximum amounts of wage withholding, and the imposing of fines on uncooperative employers.

Mandatory wage withholding contains 39 specific procedures that must be implemented by each state. Of the 39 procedures comprising the wage-withholding provision, 13 are considered by OCSE to be major requirements. The 13 procedures are as follows:

- (1) withholding is automatic, not requiring a return to court to change the support order;
- (2) withholding is triggered when support payments are delinquent in an amount equal to 1 month's support;
- (3) withholding applies to interstate as well as intrastate cases;
- (4) the state adequately documents, tracks, and monitors withheld support payments;
- withholding applies to all IV-D cases, including (5) AFDC, (6) non-AFDC, (7) foster care, and (8) interstate cases;
- (9) the amount withheld covers current support and payment toward liquidation of arrearages;
- (10) the only bases for contesting are mistakes of fact;
- (11) an advance notice to the absent parent is sent on the trigger date;
- when an absent parent contests wage withholding, within 45 days of providing advance notice to the absent parent of the potential withholding, (12) that parent is notified of the resolution and (13) notice is sent to employer if appropriate.

As of March 31, 1986, three (Minnesota, Oregon, and Utah) of the 51 states[2] had fully implemented all 39 procedures. (See table 2.2.)

[2]Includes the District of Columbia.

Table 2.2: Mandatory Wage Withholding

Status	Number of states
Fully implemented	3
Not fully implemented:	48
Has enacted full legislation	3
Needs to enact legislation:	45
Legislation meets the 13 major, but not all, requirements	11
Legislation does not meet major requirements	25
Had not enacted any legislation	5
OCSE analysis of legislation not completed	4

Implementation of Five Selected Wage-Withholding Procedures

As agreed with the Chairman's office, we obtained additional information on states' implementation of 5 of the 39 wage-withholding procedures which were:

- withholding is automatic, not requiring a return to court to change the support order;
- withholding is triggered when support payments are delinquent in an amount equal to 1 month's support;
- withholding applies to interstate as well as intrastate cases;
- the state adequately documents, tracks, and monitors withheld support payments; and
- withholding applies to non-AFDC as well as AFDC clients.

We did not seek to obtain this additional information on the five procedures from those states that had responded to our questionnaire that legislation had not been enacted, suggesting that implementation of the provision had not been accomplished. Also, our questionnaire was designed so that states that had applied for or were considering applying for exemptions were not required to complete all implementation questions. As a result, we did not obtain this additional information from 17 states.

As required for all of the wage-withholding procedures, states were to apply these five procedures to new as well as existing support orders (making them retroactive) in all jurisdictions within the state. Thus, we asked states whether each of the five procedures (1) applied to new and existing orders or new orders only, (2) was implemented throughout the entire state or only in some areas, or (3) was not implemented in any jurisdictions for new or existing orders.

Of the 34 states that responded to this question, 17 reported statewide implementation of all five procedures applicable to new and existing support orders. Two states reported not implementing any of the five procedures in any jurisdiction for new or existing orders. The remaining 15 states reported at least some implementation of one or more of the procedures.

Also, as shown in table 2.3, from 20 to 26 states reported statewide implementation applicable to new and existing orders of one or more of the five procedures. From two to six states reported not implementing one or more of the five procedures in any jurisdiction for new or existing orders.

Table 2.3: Number of States Implementing Five of the Major Procedures of the Mandatory Wage Withholding Provision: 34 States Responding (January 1, 1986)

	All new and existing orders		Only new support orders		Not implemented in any jurisdiction for new or existing orders
	Entire state	Some areas	Entire state	Some areas	
Wage withholding is automatic, not requiring a return to court to change the support order	20	2	9	0	3
Wage withholding is triggered when support payments are delinquent in an amount equal to 1 month's support	24	1	6	0	3
Wage withholding applies to interstate as well as intrastate cases	24	0	4	0	6
State adequately documents, tracks, and monitors withheld support payments	25	1	4	0	4
Wage withholding applies to non-AFDC as well as AFDC clients	26	0	6	0	2

See appendix IV for information on the discrepancies between the states' reported information and OCSE information on states' enactment of the five selected procedures of wage withholding.

State Tax Refund Offset

The amendments require states to enact legislation, if none presently exists, requiring the withholding of state tax refunds otherwise payable to an absent parent who is delinquent in child support payments. To implement the state tax refund offset provision, OCSE requires implementation of 10 procedures.

Of the 10 required procedures, OCSE considers the following 5 to be major requirements:

- access for all IV-D cases, including (1) AFDC, (2) non-AFDC, (3) foster care, and (4) interstate cases; and
- (5) advance notice of offset and an opportunity provided to the absent parent to contest the offset.

As of March 31, 1986, three states (Georgia, Minnesota, and Oregon) had fully implemented all 10 required procedures, 38 states had not fully implemented the required procedures, and 10 states were exempted from the requirements because they do not have a state income tax. (See table 2.4.)

Table 2.4: State Tax Refund Offset[a]

Status	Number of states
Fully implemented	3
Not fully implemented:	38
Has enacted full legislation	0
Needs to enact legislation:	38
Legislation meets the five major, but not all, requirements	26
Legislation does not meet major requirements	10
Had not enacted any legislation	0
OCSE analysis of legislation not completed	2

[a]Ten states were exempted because they do not have a state income tax.

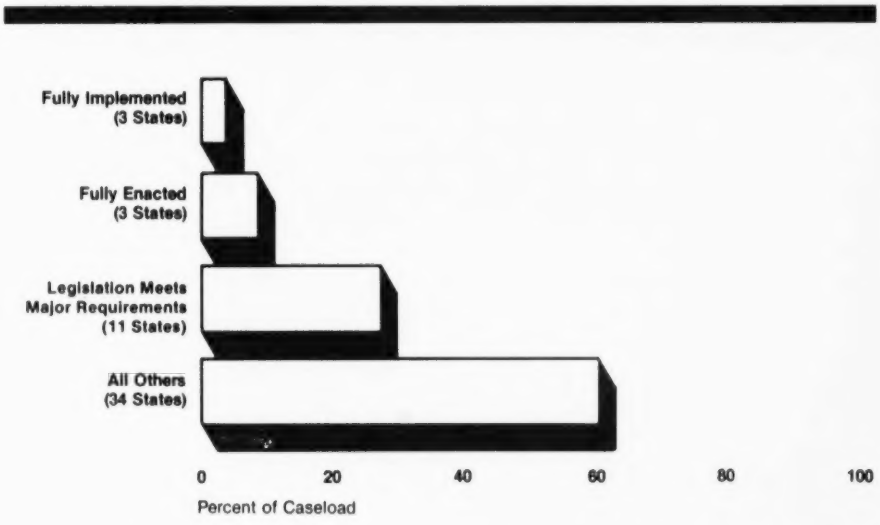
Caseloads Represented by States Reporting Progress in Implementing the Wage-Withholding and State Tax Refund Offset Provisions

Mandatory wage withholding and state tax refund offset are the two provisions anticipated by OCSE to have the most impact nationwide on child support enforcement. The caseloads represented by states that have enacted or implemented these two provisions provide an additional measure of implementation progress. For example, states with relatively small child support caseloads that implement wage withholding and state tax refund offset will have less of an impact nationwide on child support enforcement than states with larger caseloads that have done so.

As shown in figure 2.1, the states that have fully enacted and implemented the mandatory wage-withholding provision, fully enacted but not fully implemented the provision, or enacted major requirements of

the provision represent 40 percent of the 1984 national child support caseload.

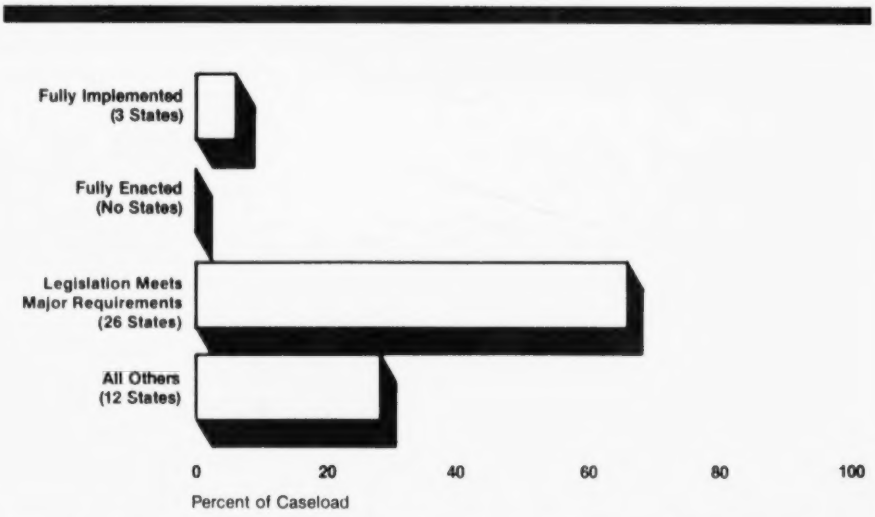
Figure 2.1: States' Progress in Implementing Wage Withholding by National Caseload Representation



As figure 2.2 shows, states that have at least enacted the major requirements of the state tax refund offset provision represent 72 percent of the 1984 national caseload.[3]

[3]States that do not have a state income tax were excluded from the caseload analysis of the state tax refund offset provision.

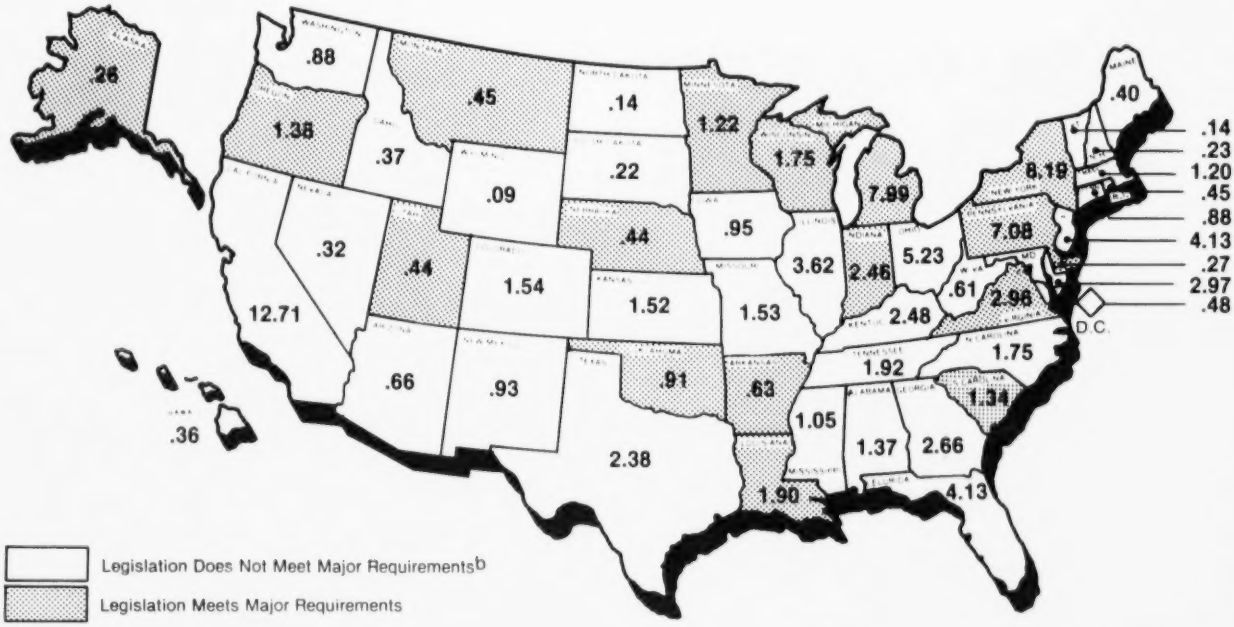
Figure 2.2: States' Progress in Implementing State Tax Refund Offset by National Caseload Representation[a]



[a]Excludes 10 states that were exempted from implementing state tax offset because they do not have an income tax.

There was wide disparity among states in their implementation progress. For example, as shown in figure 2.3, New York (8.19 percent) and Pennsylvania (7.08 percent) represent about 15 percent of the national caseload and both states have, at a minimum, enacted the major requirements of wage withholding. California (12.71 percent) and Ohio (5.23 percent) represent about 18 percent of the national caseload, but as of March 31, 1986, neither had enacted the major requirements. On October 1, 1986, an OCSE official informed us that an OCSE August 21, 1986, report—the most recent data available—showed that California and Ohio had not enacted the major requirements.

Figure 2.3: Wage Withholding: States' Enactment Status and Caseloads Represented (March 1986)[a]

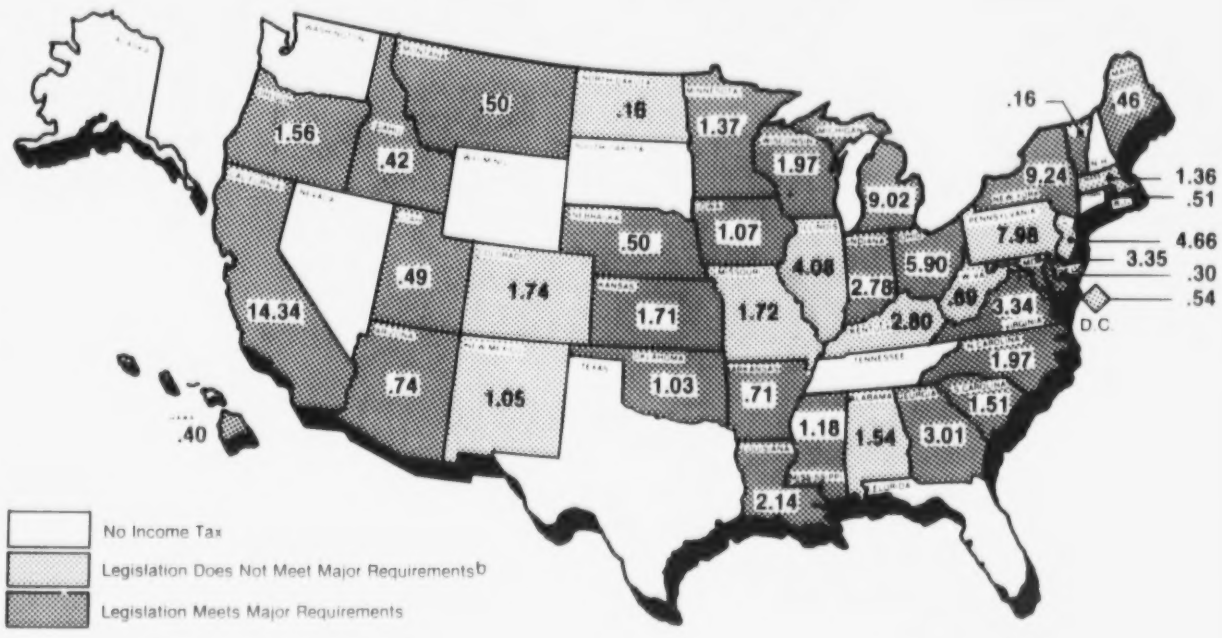


[a]Numbers show percent of national caseload represented by each state.

[b]Although New Mexico, South Dakota, West Virginia, and Wyoming had enacted legislation, OCSE had not yet completed analysis of the legislation.

Regarding state tax refund offset, in the aggregate, states representing larger percentages of the national caseload generally have made more implementation progress than those representing smaller percentages. Of the four states discussed above, New York, California, and Ohio, at a minimum, have enacted the major requirements of state tax refund offset, whereas Pennsylvania has not. See figure 2.4 for states' enactment status by caseload for the state tax refund offset provision.

Figure 2.4: State Tax Refund Offset: Enactment Status and Caseloads Represented (March 1986)[a]



[a]Numbers show percent of national caseload represented by each state.

[b]Although New Mexico and West Virginia had enacted legislation, OCSE had not yet completed analysis of the legislation.

Because OCSE manages the Child Support Enforcement program through its 10 regional offices, we also looked at states' implementation by region. We noted progress disparities among OCSE's 10 regions when states comprising each of the regions are grouped together and their progress and caseloads are considered. (See app. III for a map showing the 10 OCSE regions and their caseloads.) Regions with similar caseloads, for example, vary in the caseloads covered by states that have enacted the major wage-withholding and state tax refund offset requirements.

We discussed with OCSE officials the disparate implementation progress among states and regions. The Deputy Director for Policy, Program, and Audit stated that OCSE is also concerned about the varying activity levels and that the agency is considering alternative ways to hasten state implementation progress, including providing more technical assistance

and applying monetary sanctions against the federal share of states' child support funding.

Wage Withholding in Non-IV-D Orders

The amendments require the states to enact legislation, if none presently exists, ensuring that all new or modified support orders issued within a state as of October 1, 1985, contain a provision for wage withholding when a certain arrearage occurs. The intent of this provision is to ensure that orders not enforced through the IV-D agency include the authority necessary to permit wage withholding to be initiated by someone other than the IV-D agency, such as a private attorney. As of March 31, 1986, 27 states had fully implemented this provision. (See table 2.5.)

Table 2.5: Wage Withholding in Non-IV-D Orders

Status	Number of states
Fully implemented	27
Not fully implemented:	24
Has enacted full legislation	8
Needs to enact legislation:	16
Legislation meets the major requirements	0
Legislation does not meet major requirements	4
Had not enacted any legislation	9
OCSE analysis of legislation not completed	3

Expedited Processes

The amendments and applicable regulations require states to enact legislation, if none presently exists, providing for expedited processes within the state's judicial system or under administrative processes for obtaining and enforcing child support within specified processing times. The purpose of requiring expedited processes is to increase effective and efficient processing of support establishment and enforcement activities. To implement this provision, OCSE requires use of 18 specific procedures.

Of the 18 required procedures, OCSE considers the following 10 to be major requirements of expedited processes are:

- the process is used in all IV-D cases, including (1) AFDC, (2) non-AFDC, (3) foster care, and (4) interstate cases;
- (5) use of the expedited process is mandatory;
- (6) the process is used to establish and enforce support orders;
- (7) the presiding officer is not a judge;

- (8) temporary orders are entered by expedited process in complex cases;
- (9) orders established under the expedited process have the same force and effect as judicial orders; and
- (10) due process rights of parties are protected.

As of March 31, 1986, five states (Alaska, New York, Oregon, Utah, and Wisconsin) had fully implemented all 18 required procedures. (See table 2.6.)

Table 2.6: Expedited Processes

Status	Number of States
Fully implemented	5
Not fully implemented:	46
Has enacted full legislation	5
Needs to enact legislation	41
Legislation meets the 10 major, but not all, requirements	3
Legislation does not meet major requirements	19
Had not enacted any legislation	16
OCSE analysis of legislation not completed	3

Liens

The amendments require the states to impose liens against real and personal property of an absent parent who owes overdue support and who resides or owns property in the state. The legislation must include the following six required procedures, all of which are considered by OCSE to be major requirements:

- applying liens in all IV-D cases, including (1) AFDC, (2) non-AFDC, (3) foster care, and (4) interstate cases;
- (5) imposing liens against real property; and
- (6) imposing liens against personal property.

As of March 31, 1986, 34 states had fully implemented all six required procedures. (See table 2.7.)

Table 2.7: Liens

Status	Number of states
Fully implemented	34
Not fully implemented:	17
Has enacted full legislation	6
Needs to enact legislation:	11
Legislation meets the six major requirements	0
Legislation does not meet major requirements	9
Had not enacted any legislation	1
OCSE analysis of legislation not completed	1

Paternity Statutes

The Child Support Amendments require states to enact legislation, if none presently exists, permitting the establishment of paternity until at least a child's 18th birthday. States may also eliminate entirely statutes of limitation in establishing paternity. Cases previously considered to be closed because of the child's age will now have to be reopened and services provided. As of March 31, 1986, 45 states had implemented this provision. (See table 2.8.)

Table 2.8: Paternity Statutes

Status	Number of states
Fully implemented	45
Not fully implemented:	6
Has enacted full legislation	1
Needs to enact legislation:	5
Legislation meets the major requirements	0
Legislation does not meet major requirements	0
Had not enacted any legislation	4
OCSE analysis of legislation not completed	1

Posting Security or Bond

The amendments require that states enact legislation, if none presently exists, requiring individuals owing support to post bond or give some other guarantee to secure the payment of such support. Examples of appropriate cases are those in which the absent parent is self-employed or realizes income from commissions or other irregular payments. The legislation must include the following five specific procedures, all of which OCSE considers to be major requirements:

- access for all IV-D cases, including (1) AFDC, (2) non-AFDC, (3) foster care, and (4) interstate cases; and
- (5) advance notice to the absent parent, including procedures to contest the impending action.

As of March 31, 1986, 27 states had fully implemented the five procedures of this provision. (See table 2.9.)

Table 2.9: Posting Security/Bond

Status	Number of states
Fully implemented	27
Not fully implemented:	24
Has enacted full legislation	4
Needs to enact legislation:	20
Legislation meets the five major requirements	0
Legislation does not meet major requirements	14
Had not enacted any legislation	4
OCSE analysis of legislation not completed	2

Making Information Available to Consumer Reporting Agencies

The amendments require that states enact legislation, if none presently exists, making information on overdue support available to consumer reporting agencies when an absent parent is more than $1,000 in arrears. The purpose of this provision is to ensure access of third parties to credit information on an individual who owes child support. The legislation must include the following two procedures, both of which OCSE considers to be major requirements: (1) the procedure is mandatory upon request of the consumer reporting agency for amounts over $1,000 and (2) advance notice to the absent parent to contest the accuracy of the information. As of March 31, 1986, 18 states had implemented both requirements. (See table 2.10.)

Table 2.10: Making Information Available to Consumer Reporting Agencies

Status	Number of states
Fully implemented	18
Not fully implemented:	33
Has enacted full legislation	6
Needs to enact legislation:	27
Legislation meets the two major requirements	0
Legislation does not meet major requirements	6
Had not enacted any legislation	19
OCSE analysis of legislation not completed	2

Provisions Not Requiring State Legislation

The amendments require that states have procedures in place by October 1, 1985, to implement provisions requiring (1) annual notices to AFDC families of amounts collected in their name, (2) application fees for non-AFDC cases, (3) collection of child and spousal support in certain circumstances, and (4) extension of the federal tax refund offset for non-AFDC cases. In addition, effective with the enactment of the amendments, states were required to extend Medicaid eligibility when AFDC benefits are terminated. Also, the amendments require each state to appoint by December 1, 1984, a state child support commission unless, under certain conditions, it qualified for a waiver (see p. 32). The amendments do not require states to enact legislation to implement these provisions, but to meet their own legal requirements states may need to do so. Most states have fully implemented these six provisions.

Of the states that had not implemented the provisions, most reported delays in implementation because (1) administrative procedures were not developed or in effect or, (2) regarding the annual notices provision, needed changes in their state program's automated data processing systems had not been made. All states reporting such information expected implementation by December 31, 1986. In 27 of 39 cases in which states reported expected implementation dates, states said they expected implementation by July 1, 1986. By June 30, 1986, according to OCSE's most recent available data, states had fully implemented required provisions in 20 of these 27 cases. Following is a description of the six provisions not requiring state legislation and states' progress in implementing them.

Annual Notices

The amendments require states to annually notify AFDC and former AFDC families still receiving IV-D services of the amount of child support collected in their name. As of March 31, 1986, 26 states had implemented the annual notices provision.

Imposition of an Application Fee

The amendments require states to charge non-AFDC clients an application fee not to exceed $25 to receive child support services. The state may charge the fee against the custodial parent, pay the fee out of state funds, or receive the fee from the noncustodial parent. As of March 31, 1986, 45 states had implemented this provision.

Collection of Both Spousal and Child Support

The amendments require local child support programs to enforce the collection of spousal support only if a support obligation has been established with respect to the spouse and the support order for the child is being enforced. As of March 31, 1986, 43 states had implemented this provision.

Extending Medicaid Eligibility

The amendments require that if a family loses AFDC eligibility as a result of increased collection of support payments, the state must continue to provide Medicaid benefits for 4 additional months. As of March 31, 1986, 44 states had implemented this provision.

Collection of Past-Due Support From Federal Tax Refunds

The amendments extend authorization to non-AFDC cases to have the Secretary of the Treasury, upon receipt of notice from a state child support agency, withhold past-due support from federal tax refunds owed to an absent parent. Prior law applied to AFDC cases only. As of March 31, 1986, 48 states had developed procedures enabling them to fully implement this provision.

Appointing State Child Support Commissions

The amendments required the governor of each state, by December 1, 1984, to appoint a state commission on child support to study the operation of the state's program and determine the extent to which it has succeeded in securing support and parental involvement for AFDC and non-AFDC children. The amendments required each commission to submit to the governor of the state by October 1, 1985, a report of its findings and resulting recommendations. The Secretary of HHS may waive the requirement to appoint a commission if the state demonstrates that (1) a similar body already exists, (2) it has placed in effect and is implementing

objective standards for the determination and enforcement of child support obligations, or (3) it is making satisfactory progress toward fully effective child support enforcement and will continue to do so.

According to information that we obtained from OCSE, 40 states have appointed child support commissions and OCSE has waived the requirement for 11 states. The 11 states are Arizona, California, Illinois, Maine, Maryland, Michigan, North Carolina, Rhode Island, Utah, Washington, and Wisconsin.

Exemptions

The amendments permit the Secretary of HHS to grant a state an exemption from one or more of the eight provisions requiring state law if the state can prove that the provision would not increase its program's efficiency and effectiveness. Under OCSE procedures, a state may qualify for an operational exemption or an authority exemption.

Under a statewide operational exemption, a state is either exempted from implementing a procedure or allowed to continue operating an existing procedure that does not comply with all federal requirements because implementing the required procedure would not increase the program's efficiency and effectiveness. In the case of expedited processes, a state must demonstrate that required case processing time frames are being met under its current system. Also, expedited processes is the only provision for which a state may be exempted in one or more of its political subdivisions.

Under an authority exemption, a state may be exempted from the requirement to enact legislation because the state—through court rules or current administrative policies or procedures— already complies with the provision's requirements.

As of March 31, 1986, OCSE had granted 22 exemptions and disapproved 2. According to OCSE records, of the 22 exemptions, 17 were authority exemptions of which 13 covered only elements of a provision. Five of the 22 exemptions were operational exemptions for expedited processes, of which 3 were limited to certain political subdivisions within the state.

In May 1985, OCSE instructed states to request before October 1, 1985, if needed, exemptions from the eight provisions requiring legislation. OCSE officials informed us that in light of the implementation delays (see p. 35) needed by many states, the states were permitted to request exemptions up until their delayed implementation dates. Effective March 31,

1986, however, OCSE replaced these procedures for applying for authority exemptions with the requirement that states submit copies of administrative procedures, regulations, or court rules as attachments to their IV-D state plans. Regional OCSE officials in consultation with HHS regional attorneys review the attachments to ensure that states meet all federal requirements. These revised procedures made it no longer necessary for OCSE headquarters to track and report states' authority exemption requests, and thus, we were only able to obtain states' exemption status as of March 31, 1986—the last date for which OCSE reported such information.

Table 2.11 shows the number of exemptions granted as of March 31, 1986, and states' resulting implementation status. All exemptions were granted from October 1, 1985, until October 1, 1988—except for Kansas' exemption for expedited processes, which was granted from February 1, 1986, until January 31, 1987.

Table 2.11: Exemptions Granted by OCSE

Provision	Granted exemption and fully implemented	Granted exemption but not fully implemented[a]	Total exemptions granted
Mandatory wage withholding	UT,MN	AK,NV	4
State tax refund offset	GA,MN	0	2
Wage withholding in IV-D orders	0	0	0
Expedited processes	UT,OR	AZ,NV,IN,MD,KS	7
Liens	0	0	0
Paternity statutes	SC,FL	0	2
Posting security/ bond	MN,OR	0	2
Consumer reporting agencies	AL,NC,AK,MN,OR	0	5
			22

[a]A state may be granted an exemption from one or more requirements of a provision. Even with such an exemption, however, a state must fully implement all other requirements of the provision.

OCSE disapproved exemption requests from two states. It disapproved North Dakota's request for expedited processes on the basis that the existing state statute and court rules do not meet federal statutory and regulatory requirements. Pennsylvania's request for state tax refund offset was disapproved because the state failed to adequately demonstrate that implementation of a state tax refund intercept program would not increase the effectiveness and efficiency of the state's Child Support Enforcement program.

Implementation Delays

States were required to implement most of the amendments we reviewed by October 1, 1985. However, the amendments allow implementation to be delayed for provisions requiring state legislation if required state legislation was not enacted by October 1, 1985. Such a delay may extend a state's implementation until the beginning of the fourth month after the end of the state's first legislative session ending on or after October 1, 1985.

Although the amendments did not require states to formally request implementation delays if needed, in July 1985, OCSE instructed the states to request implementation delays by December 31, 1985, through the state plan-revision process. Under this process, states could request delays through their OCSE regional offices. States were instructed to include in their requests an explanation of the legal basis for the delay, such as a copy of their current state statute or a letter from their attorney general attesting to the state's need for legislation. As of April 18, 1986, OCSE had granted 31 states and the District of Columbia delays in implementing one or more of the eight provisions requiring state legislation because the states had not enacted the necessary legislation as of October 1, 1985. The states' revised effective dates ranged from November 1985 to September 1987. The remaining states had not implemented procedures by October 1, 1985, for one or more of the eight provisions because they lacked the required legislation and had not requested delays through the state plan-revision process.

Because all states needing delays did not formally request them and because OCSE did not maintain complete records on state legislatures' adjournment dates (see pp. 40 and 41 for further discussion)—we could not identify all states' delayed implementation dates.

Penalties for Noncompliance

States that have not been granted exemptions and have not implemented the provisions within the time frames set forth by the amendments may be found out of compliance with federal law and thus subject to penalties. According to OCSE officials, under existing regulations HHS may impose one or more of the following penalties on a state if its state plan does not comply with federal requirements or the state does not otherwise implement federal requirements:

- States without the required laws in effect could be subject to a conformity hearing on the basis that they do not have an approved state plan. If found out of conformance, a state could lose its IV-D funds and, ultimately, its AFDC funds.

- States with an approved state plan but not all required procedures implemented could be found out of compliance, as determined by the OCSE audit process. Audit penalties range from a loss of 1 to 2 percent of AFDC funds for the first time found out of compliance to 3 to 5 percent for the third time.
- For states that fail to meet specific requirements, OCSE could determine the resulting financial impact and, accordingly, levy disallowances against the federal share of the state's AFDC expenditures.

According to OCSE officials, as of October 1, 1986, OCSE had not imposed any penalties.

Actions Taken to Encourage Four States to Meet Time Frames

As of June 6, 1986, OCSE had identified four states that had exceeded, or would shortly exceed, their time frames for implementing one or more of the provisions. These states, the provisions for which their time frames had expired or would shortly expire, and the respective implementation time frames are shown in table 2.12.

Table 2.12: States Exceeding or Near Exceeding Implementation Time Frames

State	Provision	Time frame
New York	Mandatory wage withholding	May 1, 1986
	State tax refund offset	May 1, 1986
	Posting security/bond	May 1, 1986
Nebraska	All eight provisions requiring state legislation	March 1, 1986
Maryland	All eight provisions requiring state legislation	February 1, 1986
Massachusetts	All eight provisions requiring state legislation	April 1, 1986

In each case, OCSE regions sent letters to the states notifying them that their implementation dates had expired or would shortly and advising them that their state plans were due by the end of the quarter in which implementation was required and that they should request exemptions if appropriate. According to an OCSE official, as of June 13, 1986, Maryland, Nebraska, and New York had submitted their state plans within the required time frames, including copies of required state legislation, indicating implementation had been accomplished. As of July 9, 1986, OCSE had approved New York's plan but had not completed reviewing the other two plans. The Director of the Family Support Administration notified the remaining state (Massachusetts) that conformance proceedings would be initiated if it did not pass the required legislation or request exemptions. On July 10, 1986, Massachusetts enacted the required legislation.

Agency Comments and GAO's Evaluation

In commenting on our draft report, HHS stated that the report speaks of an October 1, 1985, implementation date and fails to adequately explain that states actually have until the beginning of the fourth month after the end of the legislative session which ends on or after October 1, 1985, to implement the eight provisions requiring state legislation. However, as stated on pages 11, 16, 18, 35, and 40, we explained that in cases where a state law is needed to implement one or more of the provisions but has not been enacted by October 1, 1985, states may delay implementation beyond October 1.

HHS also stated that since many states were qualified to delay enactment or implementation until the summer of 1986, the vast majority of states' progress did not occur until after the cutoff date used in this report—March 31, 1986. However, on pages 18 and 31, we acknowledged such states' expected enactment and implementation dates and reported, based on information obtained from OCSE, whether those states had met their expected dates as of June 30, 1986. In addition, HHS provided us with an August 15, 1986, update of states' implementation progress. We included these data in our report. We did not reconcile this information with information from the states.

Discrepancies Between States' Questionnaire Responses and OCSE Information

As agreed with the Chairman's office, we compared states' questionnaire responses about enactment and implementation of the provisions with similar information maintained by OCSE. The Chairman's office said that reconciling the information would (1) help substantiate data provided to us by the states and (2) surface differences between these data and data maintained by OCSE so that OCSE could act to resolve the differences, and in the process, improve its records.

During this reconciliation process, we pointed out to OCSE that (1) there were communications problems between OCSE and certain states regarding enactment and implementation requirements, (2) states' self-reports to OCSE may not provide reliable information for tracking states' implementation, and (3) OCSE's lack of complete information on revisions to states' effective dates could hamper its ability to monitor implementation.

Since passage of the amendments, OCSE, through its regional offices, has tracked and monitored states' enactment and implementation progress. In September 1984, HHS published a Notice of Proposed Rulemaking in the Federal Register that described the specific requirements of Public Law 98-378 and the regulatory requirements that the Secretary of HHS imposed beyond the statutory ones. According to OCSE officials, this notice was used by some states to draft needed legislation. The final rule to implement the amendments was published in the Federal Register in May 1985.

To monitor the states' progress in enacting and implementing laws and to identify problems states were encountering, OCSE developed a legislative tracking system in September 1984. Under this system, OCSE regional officials report milestones in the implementation process, including introduction, passage, and implementation of legislation. Regional offices provide quarterly reports that update states' enactment and implementation status.

To track state enactment activity and to ensure that all state laws were analyzed in a consistent manner, OCSE developed a Legislative Analysis Checklist in June 1985. The checklist records for each state the specific section of its laws that contains the required provisions and allows the region to annotate which provisions are not covered by state laws. OCSE regional officials analyze the states' laws and regional HHS attorneys verify the analysis. Any differences in interpretation are resolved by OCSE headquarters' attorneys.

Based upon these legislative analyses, in October 1985, OCSE sent a letter to each state notifying it of the changes necessary for its laws to conform to the requirements of the amendments. In order to ensure that state legislators were aware of the required changes, OCSE worked with the National Conference of State Legislatures in distributing an analysis of the states' laws relating to the Child Support Enforcement program.

Regarding implementation, however, states self-report their actions through their state plan submissions. States are required to complete preprinted state plan pages indicating whether they have implemented the required procedures. Officially, the receipt of a state plan certifies that the requirements specified in the federal regulations are operational and subject to review for compliance purposes by OCSE auditors. OCSE regions are responsible for approving and submitting the plans to OCSE headquarters, but, according to OCSE officials, are not required to independently verify states' implementation. OCSE officials informed us that they use this information for determining the status of states' implementation.

Enactment and Implementation Status Discrepancies

In comparing states' responses with OCSE information, we identified 264 discrepancies (25 percent) among 1,071 pairs of data items regarding enactment and implementation. Of the 264 discrepancies, 120 (45 percent) related to states' enactment status and 144 (55 percent) related to their implementation status. We were able to reconcile all of the discrepancies regarding enactment. We were not able to reconcile 28 of the discrepancies regarding implementation. See appendix IV for further explanation of the discrepancies.

Based on the nature and extent of the discrepancies, we believe that there were communications problems between OCSE and the states regarding enactment and implementation requirements, and that some states incorrectly perceived that they had fully enacted or implemented the provisions. We brought these problems to the attention of OCSE officials.

For example, 42 states (in 93 separate responses) reported to us that they had fully enacted legislation for one or more provisions, yet OCSE had determined, based upon its analysis of the states' legislation, that none of these states had fully enacted all requirements of the provision.

In addition, 35 states (in 67 separate responses) reported that they had fully implemented all procedures associated with one or more of the provisions requiring state legislation, while OCSE had determined they had not because their legislation did not meet all federal requirements.

According to OCSE officials, after the regional offices reviewed states' legislation, the offices were required to notify states in their regions of any deficiencies in the legislation and suggest modifications. Despite these procedures, however, numerous misunderstandings about enactment requirements have occurred, and all states may not be aware that enactment of fully complying state legislation is required before each of the eight provisions requiring such legislation can be implemented.

We also believe states' self-reports of implementation to OCSE may not provide reliable information for tracking implementation. For example, there were 19 cases in which states reported to us that they had not fully implemented one or more provisions while OCSE reported they had, based upon the state plan submissions. We contacted nine states in which 12 of the 19 discrepancies occurred. In 6 of the 12 cases, state officials reaffirmed that the state had not implemented the provision. We did not verify state plan submissions or determine why the states reported to OCSE that implementation had been accomplished.

OCSE officials told us OCSE plans to identify states that have not implemented the provisions in accordance with federal or state law through its audit process. In conducting compliance audits of each state at least once every 3 years, OCSE auditors should determine, on a case sample basis, whether states have and use the procedures required by their state plans.

Incomplete Information on Implementation Dates

While at OCSE, we also attempted to supplement our questionnaire information on effective implementation dates for those states that had not enacted required state legislation by October 1, 1985. As discussed on page 35, such states would qualify to delay implementation beyond the state legislatures' next adjournment date. Also, under revised OCSE procedures, qualifying states could delay implementation without formally notifying OCSE.

OCSE officials told us that they did not have complete records on states' delayed effective dates. They said that it was difficult to track and monitor states' effective dates because many state legislatures have undefined adjournment dates or continuous legislative sessions. In addition,

even states with defined adjournment dates or limits on the length of their sessions may extend their current session or call a special one.

Subsequent to our discussing these matters with OCSE officials, OCSE's Deputy Director for Policy, Program, and Audit sent a memorandum (dated May 21, 1986) to the regional offices requesting that they provide the following information on states when the current state legislative sessions have ended:

- notification by telephone when a session ends,
- revised legislative tracking system reports and completed legislative analysis checklists to reflect states' legislative changes,
- copies of letters sent to states notifying them of their revised implementation time frames, and
- copies of follow-up letters sent to states upon expiration of their time frames, requesting a state plan submittal demonstrating implementation.

The memo emphasized the need for OCSE to stay abreast of state legislative adjournment dates because most state legislative sessions will end during the remainder of 1986 and 1987. The Deputy Director reiterated his request to the regional offices in another memorandum dated July 10, 1986.

Agency Comments and GAO's Evaluation

In commenting on our draft report, HHS stated that we did not present enough detail on what OCSE has done to notify states of the amendments' requirements and the actions needed to meet them. We have added further detail to the report. However, as stated on page 40, despite OCSE's procedures for notifying states of needed legislation, numerous misunderstandings about enactment requirements occurred.

HHS also commented on our discussion of OCSE's (1) state plan process, including states' self-reports of implementation, and (2) audit procedures. We considered these comments and have made changes as appropriate.

States' Opinions on the Effects of the Amendments on Child Support Enforcement

We asked each state its opinion on the overall effect that the 1984 Child Support Amendments will have on enforcement (1) in that state and (2) nationwide. We asked states whether the amendments would have an extremely positive overall effect, a somewhat positive overall effect, little or no effect, a somewhat negative overall effect, or an extremely negative overall effect on child support enforcement. Only one state did not respond to this question, saying it believed it was too soon to evaluate the potential impact of the amendments on enforcement. Overall, states were more optimistic about the potential national impact on child support enforcement than about the impact on enforcement in the state. (See table 4.1.)

Table 4.1: States' Responses Regarding Overall Effect of the 1984 Amendments on Child Support Enforcement (Percent of States Responding)

	In own state	Nationwide
Extremely positive overall effect	40	62
Somewhat positive overall effect	60	38
No overall positive or negative effect	0	0
Somewhat negative overall effect	0	0
Extremely negative overall effect	0	0

We also asked each state to indicate the extent to which the 1984 Child Support Amendments will affect the following enforcement activities within the state: collection and enforcement of support payments, obtaining a support order, establishing paternity, locating the absent parent, and interstate enforcement. We asked states whether the amendments will greatly help, moderately help, have little or no effect, moderately hinder, or greatly hinder each of the activities. As shown in table 4.2, a majority of the states believed that the amendments would greatly help the collection and enforcement of support payments. In contrast, a majority of the states believed that the amendments would have little or no effect on locating the absent parent or paternity establishment.

Table 4.2: States' Responses Regarding Overall Effect of the 1984 Amendments on Five Child Support Activities Within the State (Percent of States Responding)

	Greatly hinder	Moderately hinder	Little/no effect	Moderately help	Greatly help
Establishing paternity	2.0	0	58.8	21.6	17.6
Locating the absent parent	0	0	76.4	21.6	2.0
Obtaining a support order	0	2.0	41.2	39.2	17.6
Collecting and enforcing support payments	0	0	3.9	31.4	64.7
Interstate cases:					
In which your state initiates action	0	0	3.9	47.1	49.0
In which your state responds to requests from other states	0	0	13.7	53.0	33.3

Following are some of the potential effects of the amendments on each of the activities as cited by the states.

Collecting and Enforcing Support Payments

Forty-five states commented on the collection and enforcement of support payments, totaling 70 responses. The comments were as follows:

- mandatory wage withholding will be an effective enforcement tool (39),
- the federal tax refund offset should help enforcement (18), and
- lien and bond provisions will have both positive and negative effects (7).

In addition, six comments addressed other potential effects, such as the strong sense of urgency created by the amendments and the new incentive structure that rewards collections for both AFDC and non-AFDC cases.

Of the 39 responses in which states believed that mandatory wage withholding will improve enforcement, states cited potential effects, such as:

- expediting the collection process,
- increasing collections by requiring regular payments, and
- placing a legally binding debt on the absent parent.

In their 18 favorable comments on the federal tax refund offset provision, states most commonly mentioned that improved enforcement will result from extending the requirement to non-AFDC cases, thus expanding the covered clientele.

Among the seven responses on lien and bond issues, some indicated that liens and bonds may strengthen enforcement, while others indicated

that too many resources may be consumed in attempting to obtain liens and bonds or that the provision would otherwise not be useful in the collection and enforcement of support payments.

Interstate Enforcement

Forty-five states commented on interstate enforcement, totaling 67 responses. The comments were as follows:

- interstate wage withholding will be an effective tool (33),
- interstate response rates or timeliness will improve (17), and
- special project grants for interstate matters will improve enforcement (5).

Five responses concerned some limiting factors or issues not addressed by the amendments, such as the lack of uniformity in states' processes for establishing and enforcing support orders across state lines. In addition, seven responses concerned other effects, the most common being the new shared incentive structure which rewards both the initiating and responding states for their collections.

Several of the 33 comments on interstate wage withholding indicated that cooperation among all states is essential for a positive effect.

In most of the five instances where states mentioned limiting factors or issues not addressed by the amendments, they cited the administrative complexities created by the amendments or the lack of uniform procedures in them as potential drawbacks to an effective interstate enforcement program.

Establishing Paternity

Forty-five states commented on the potential impact of the amendments on paternity establishment, totaling 48 responses. The responses were as follows:

- the amendments will have little or no effect on paternity establishment or the state laws/procedures already in effect meet the requirements of the amendments (22),
- the requirement which extends the statute of limitations to at least age 18 should have a favorable effect on paternity establishment (17), and
- the changed incentive structure will affect paternity establishment (3).

In addition, in six instances, states mentioned other effects of the amendments, such as providing a mechanism to enforce the rights of the

child, creating a sense of urgency in child support activities, and increasing the number of paternity determinations.

Of the 17 comments in which states cited the positive effect of the extended statute of limitations, states most commonly mentioned (1) the longer amount of time now available to establish paternity and (2) the uniformly higher cut-off age which should facilitate interstate enforcement.

One state reported that the amendments may greatly hinder paternity establishment (see table 4.2). This state indicated that the federal incentive formula, which is structured to reward states that collect child support for both AFDC and non-AFDC families, undermines jurisdictions that spend time and money to establish paternity. This state said that under the new amendments, jurisdictions must focus on short-term enforcement efforts in order to maximize incentives and not on paternity cases that may have long-term payoffs.

Obtaining a Support Order

Forty-three states commented on the effects the amendments may have on obtaining a support order, totaling 47 responses. The responses were as follows:

- the new provisions will expedite the judicial process and thus reduce the amount of time it takes to obtain an order (20),
- the amendments will have little or no effect on obtaining a support order or the state laws/procedures already in effect meet the amendments' requirements (15), and
- the new laws provide for more consistency in support awards or more uniformity in establishing support orders among state jurisdictions (4).

Also, in eight responses, states cited other potential effects the amendments may have on obtaining a support order. Of these eight comments, states most often cited the medical support enforcement requirement as a potential cost disincentive which slows the process of obtaining an order.

Under the medical support enforcement regulation, states are required to (1) obtain basic medical information on clients, (2) provide the information to state Medicaid agencies, and (3) take steps to assure that coverage is acquired as ordered. Also, if the custodial parent does not have

satisfactory health insurance coverage, the state IV-D agency must petition the court or administrative authority to include medical support in any new or modified support orders.

Before these requirements, medical support activities were pursued by state child support agencies only under optional cooperative agreements with state Medicaid agencies. In this respect, the state responding that the amendments would moderately hinder obtaining support orders said that the medical support enforcement regulation will lead to a decrease in collections because of the time and effort involved in carrying out these procedures.

Locating the Absent Parent

Forty-one states commented on locating the absent parent, totaling 43 responses. The responses were as follows:

- the amendments will have little or no effect on locating the absent parent or the state laws/procedures already in effect meet the requirements of the amendments (24) and
- the new provisions will provide greater access to information sources (15).

In addition, two responses questioned the potential benefits of having greater access to the Federal Parent Locator Service, and two others mentioned other effects, such as the sense of urgency created by the amendments and the creation of staff shortages in attempting to carry out the new requirements.

The 15 responses concerning greater access to information sources mentioned the following sources from which information on the absent parent can be obtained: the Federal Parent Locator Service (which acts as an information clearinghouse responsible for assisting states in gaining access to otherwise restricted material), Internal Revenue Service records, employer records, and credit bureaus. However, the two responses that questioned the benefit of states' greater access to the Federal Parent Locator Service indicated that the Service often gives outdated or invalid information.

Status of the States' Implemention of the 1984 Child Support Enforcement Amendments as of March 31, 1986

Provisions Requiring State Legislation

State	Percent of 1984 total caseload	(rank)	Provisions							
			Mandatory wage withholding	Wage withholding in non-IV-D orders	Expedited process	State tax refund offset	Liens	Posting security	Paternity statutes	Consumer reporting agencies
AL	1.4	(23)	N	N	N	N	F	N	F	F[a]
AK	0.3	(46)	N[a]	F	F	E	F	F	F	F[a]
AZ	0.7	(33)	N	F	N[b]	N	F	F	F	N
AR	0.6	(34)	N	F	N	N	F	F	F	F
CA	12.7	(1)	N	N	N	N	F	F	F	F
CO	1.5	(19)	N	N	N	N	F	F	F	F
CT	0.9	(32)	N	F	N	E	F	F	F	N
DE	0.3	(45)	N	N	N	N	N	F	F	N
DC	0.5	(36)	N	N	N	N	N	N	F	N
FL	4.1	(6)	N	N	N	E	N	N	F[a]	N
GA	2.7	(11)	N	F	N	F[a]	F	F	F	F
HI	0.4	(43)	N	N	N	N	F	N	F	N
ID	0.4	(42)	N	N	N	N	F	N	F	N
IL	3.6	(8)	N	F	N	N	N	N	F	N
IN	2.5	(13)	N	F	N[b]	N	F	F	F	F
IA	1.0	(28)	N	N	N	N	N	F	F	N
KS	1.5	(21)	N	F	N[a]	N	F	F	F	F
KY	2.5	(12)	N	N	N	N	N	N	N	N
LA	1.9	(16)	N	F	N	N	F	F	F	N
ME	0.4	(41)	N	N	N	N	N	F	F	N
MD	3.0	(9)	N	F	N[b]	N	N	N	F	N
MA	1.2	(26)	N	F	N	N	N	F	F	N
MI	8.0	(3)	N	F	N	N	N	N	N	N
MN	1.2	(25)	F[a]	F	N	F[a]	F	F[a]	F	F[a]
MS	1.1	(27)	N	N	N	N	N	N	F	N
MO	1.5	(20)	N	N	N	N	N	N	F	N
MT	0.5	(38)	N	F	N	N	F	F	N	F
NE	0.4	(39)	N	F	N	N	F	F	F	N
NV	0.3	(44)	N[a]	N	N[b]	E	F	F	F	N
NH	0.2	(47)	N	F	N	E	F	N	F	N
NJ	4.1	(7)	N	F	N	N	N	N	F	F
NM	0.9	(29)	N	F	N	N	F	F	F	F
NY	8.2	(2)	N	F	F	N	N	N	F	F
NC	1.8	(18)	N	N	N	N	F	F	F	F[a]
ND	0.1	(49)	N	F	N	N	N	N	F	N
OH	5.2	(5)	N	N	N	N	F	F	F	N

State	Percent of 1984 total caseload (rank)	Provisions							
		Mandatory wage withholding	Wage withholding in non-IV-D orders	Expedited process	State tax refund offset	Liens	Posting security	Paternity statutes	Consumer reporting agencies
OK	0.9 (30)	N	F	N	N	F	N	F	F
OR	1.4 (22)	F	F	F[a]	F	F	F[a]	F	F[a]
PA	7.1 (4)	N	N	N	N	N	F	N	N
RI	0.5 (37)	N	F	N	N	F	N	F	N
SC	1.3 (24)	N	N	N	N	F	F	F[a]	N
SD	0.2 (48)	N	N	N	E	N	N	N	N
TN	1.9 (15)	N	F	N	E	F	F	F	F
TX	2.4 (14)	N	N	N	E	F	N	F	N
UT	0.4 (40)	F[a]	F	F[a]	N	F	F	F	F
VT	0.1 (50)	N	F	N	N	F	N	F	N
VA	3.0 (10)	N	F	N	N	F	N	F	N
WA	0.9 (31)	N	N	N	E	F	N	F	N
WV	0.6 (35)	N	N	N	N	F	N	N	N
WI	1.8 (17)	N	N	F	N	F	N	F	N
WY	0.1 (51)	N	N	N	E	F	F	F	N

Provisions for Which State Legislation Optional

State	Provisions					
	State commission	Notice to AFDC recipients	Application fee	Spousal/child support	Extension of Medicaid eligibility	Federal tax refund offset
AL	F	F	F	N	F	F
AK	F	F	F	F	F	F
AZ	W	F	F	F	F	F
AR	F	F	N	F	F	F
CA	W	F	F	F	F	F
CO	F	F	F	F	F	F
CT	F	N	N	F	N	F
DE	F	F	F	F	F	F
DC	F	N	F	N	N	F
FL	F	F	F	F	F	F
GA	F	N	F	N	F	F
HI	F	N	F	F	F	N
ID	F	N	N	F	F	F
IL	W	N	F	F	F	F
IN	F	F	F	F	F	F
IA	F	F	F	F	F	F
KS	F	F	F	F	F	F
KY	F	N	F	F	N	F
LA	F	F	F	F	F	F
ME	W	F	F	N	N	F
MD	W	N	F	F	N	F
MA	F	N	N	F	F	F
MI	W	F	N	F	F	F
MN	F	F	F	F	F	F
MS	F	N	F	N	F	N
MO	F	N	F	F	F	F
MT	F	F	F	F	N	F
NE	F	F	F	N	F	F
NV	F	N	F	F	F	N
NH	F	N	F	F	F	F
NJ	F	N	N	F	F	F
NM	F	F	F	F	F	F
NY	F	F	F	F	F	F
NC	W	F	F	F	F	F
ND	F	N	F	F	F	F
OH	F	F	F	F	F	F
OK	F	N	F	N	F	F
OR	F	F	F	F	F	F

State	Provisions					
	State commission	Notice to AFDC recipients	Application fee	Spousal/child support	Extension of Medicaid eligibility	Federal tax refund offset
PA	F	F	F	F	F	F
RI	W	F	F	F	F	F
SC	F	N	F	F	F	F
SD	F	N	F	F	F	F
TN	F	N	F	F	F	F
TX	F	N	F	N	F	F
UT	W	F	F	F	F	F
VT	F	N	F	F	F	F
VA	F	N	F	F	F	F
WA	W	N	F	F	F	F
WV	F	F	F	F	N	F
WI	W	N	F	F	F	F
WY	F	N	F	F	F	F

[a]Exemption granted by OCSE.

[b]Exemption granted for certain counties.

Key:

F - Fully implemented.
N - Not fully implemented.
E - Exempted from state tax refund offset because the state has no income tax.
W - State commission requirement waived.

Summary of States' Questionnaire Responses Regarding the Provisions Reviewed by GAO (January 1, 1986)

Provisions Requiring State Legislation

	Provisions							
State	Mandatory wage withholding	Wage withholding in non-IV-d orders	Expedited processes	State tax refund offset	Liens	Posting security or bond	Paternity statutes	Consumer reporting agencies
AK	L[m]	Y	Y	N/A	Y	Y	Y	Y
AL	N	L(8/1)[d]	N(8/1)	N	Y	N(8/1)	Y	Y
AR	L(2/1)[b]	Y	N(4/15/87)	N	Y	Y	Y	Y
AZ	N	Y	N(4/15)	N	Y	Y	Y	N
CA	N(1/1/87)	N(1/1/87)	N(1/1/87)	N	Y	Y	Y	Y
CO	N	L(10/1)[j]	N(10/1)	N	Y	Y	Y	Y
CT	N	Y	N(5/7)	N/A	Y	Y	Y	L(6/1)[m]
DC	N(6/1)	N(6/1)	N(6/1)	N(6/1)	N(6/1)	N(6/1)	Y	N(6/1)
DE	N	L[m]	N(1/31)	N(1/31)	L[m]	Y	Y	L(3/1)[m]
FL	N	N	N(7/1)	N/A	N(7/1)	N(7/1)	Y	N(7/1)
GA	N	Y	L[m]	Y	Y	Y	Y	Y
HI	N	N(6/1)	N	N	Y	N(10/1)	Y	N(10/1)
IA	N	N	N	N	N(10/1)	Y	Y	N
ID	N	N(3/31)	N	N	Y	N	Y	N
IL	N	Y	N	N	N	N	Y	N
IN	N	Y	L(3/31)[g]	N	Y	Y	Y	Y
KS	N	Y	L[m]	N	Y	Y	Y	Y
KY	N(7/1)	N(7/1)	N(7/1)	N(7/1)	N(7/1)	N(7/1)	N(7/1)	N(7/1)
LA	N	Y	N	N	Y	Y	Y	N
MA	N(12/31)	Y	N(12/31)	N(12/31)	N(12/31)	Y	Y	N(12/31))
MD	N	Y	N	N	L[m]	L[m]	Y	N
ME	N(5/1)	N(5/1)	N(5/1)	N(5/1)	N(5/0)	Y	Y	N(5/0)
MI	L(4/1)[cdef]	Y	L[m]	N	L[m]	L(4/1)[cdi]	N(3/1)	L(4/1)[m]
MN	Y	Y	N	Y	Y	Y	Y	Y
MO	N(8/13)	L[m]	N(4/0)	N	L[m]	N	Y	N(8/13)
MS	N	L[m]	N(4/1)	N	L(7/1)[m]	L(7/1)[dgi]	Y	L(7/1)[m]
MT	N	Y	N	N	Y	Y	N(10/1/87)	Y
NC	N(6/30)	N(6/30)	N	N	Y	Y	Y	Y
ND	N(4/1/87)	Y	N(4/1/87)	N(4/1/87)	N(4/1/87)	N(4/1/87)	Y	N(4/1/87)
NE	N	Y	N	N	Y	Y	Y	N
NH	N	Y	N	N/A	Y	L(9/30)[i]	Y	L(9/30)[m]
NJ	N	Y	N	N	N	N	Y	Y
NM	N	Y	N	N	Y	Y	Y	Y
NV	N	N(7/1/87)	N	N/A	Y	Y	Y	N
NY	N	Y	Y	N	N	N	Y	Y
OH	N	N	N	N	Y	Y	Y	N(4/1/87)

State	Provisions							
	Mandatory wage withholding	Wage withholding in non-IV-d orders	Expedited processes	State tax refund offset	Liens	Posting security or bond	Paternity statutes	Consumer reporting agencies
OK	N	Y	N	N	Y	N	Y	Y
OR	Y	Y	Y	Y	Y	Y	Y	Y
PA	N	L(1/28)[cde]	N	N	L[h]	Y	L(1/28)[c]	L(1/28)[m]
RI	N	Y	N	N(7/1)	Y	N(7/1)	Y	N(7/1)
SC	N	L[m]	N	N	Y	Y	Y	N(7/1)
SD	N(7/1)	N(7/1)	N(7/1)	N/A	N(7/1)	N(7/1)	N(7/1)	N(7/1)
TN	N	Y	L(7/1)[cg]	N/A	Y	Y	Y	Y
TX	N	N(9/1/87)	N(9/1/87)	N/A	Y	N	Y	N
UT	Y	Y	Y	N	Y	Y	Y	Y
VA	N	Y	N	N	Y	N(7/1)	Y	N(7/1)
VT	N	Y	N	N	Y	N	Y	N
WA	N	N	N	N/A	Y	N	Y	N
WI	N	L[k]	Y	N	Y	N	Y	N
WV	N(6/1)	N(6/1)	N(6/1)	N(6/1)	Y	N	N(6/1)	N(6/1)
WY	N(6/1)	N(6/1)	N	N/A	Y	Y	Y	N

Key: Y - States with full implementation.
L - States with full legislation enacted (expected date of implementation a; reasons for delay b-m).
N - States without full legislation enacted (expected date of enactment a).
N/A - Provision not applicable because state has no state income tax.

Notes:

[a]Dates are 1986 unless otherwise indicated; where date is not given, state did not provide information.

[b]State court challenged legislation.

[c]Effective date of state legislation is after January 1, 1986.

[d]Administrative procedures not yet in effect.

[e]Changes in automated data processing system not yet made.

[f]Provision requires a return to court to formalize some orders.

[g]Additional staff not yet hired.

[h]Worker guidelines not developed.

[i]Administrative procedures not yet developed.

[j]Staff training not completed.

[k]State is planning to conduct demonstration project having different requirements.

[l]Technical changes to procedures are being developed.

[m]Reason not provided.

Provisions for Which State Legislation Optional

State	Provisions				
	Annual notices	Application fee	Collection of spousal/child support	Extension of Medicaid eligibility	Federal tax refund offset
AK	Y	Y	O,Y	Y	Y
AL	Y	Y	O,N(8/1)[j]	Y	Y
AR	Y	O,N(2/15)[j]	Y	Y	Y
AZ	Y	Y	Y	Y	Y
CA	Y	Y	Y	Y	Y
CO	Y	Y	Y	Y	O,Y
CT	N(7/1)[bcaf]	O,N(6/1)[bdeh]	Y	N(10/1)[bcde]	O,Y
DC	N(6/1)[bc]	Y	O,N(6/1)[j]	N(6/1)[e]	Y
DE	Y	Y	Y	Y	Y
FL	Y	Y	O,Y	Y	Y
GA	N(6/1)[c]	O,Y	O,N(7/0)[j]	Y	Y
HI	O,N(10/1)[j]	O,Y	O,Y	Y	N(10/1)[cgh]
IA	Y	Y	Y	Y	Y
ID	N(12/31)[c]	O,N(7/1)[d]	Y	Y	Y
IL	N(9/30)[bca]	Y	O,Y	Y	Y
IN	Y	Y	Y	Y	Y
KS	Y	Y	Y	Y	Y
KY	N(7/1)[c]	Y	Y	N(7/1)[e]	Y
LA	Y	O,Y	Y	Y	Y
MA	O,N(12/31)[j]	O,N(12/31)[j]	Y	Y	Y
MD	N(9/30)[c]	Y	Y	N(6/1)[bcde]	Y
ME	Y	Y	O,N(5/0)[j]	N(2/1)[j]	Y
MI	Y	N(2/15)[be]	Y	Y	O,Y
MN	Y	O,Y	Y	Y	Y
MO	N(9/30)[c]	O,Y	Y	Y	Y
MS	N(9/30)[bcegh]	Y	O,N(7/1)[begh]	Y	N(7/1)[begh]
MT	Y	O,Y	Y	N(7/1)[de]	O,Y
NC	Y	Y	O,Y	Y	O,Y
ND	N(10/1)[ce]	Y	Y	Y	Y
NE	Y	O,Y	O,N(4/1)[bcdegh]	Y	Y
NH	N(4/15)[bc]	O,Y	Y	Y	Y
NJ	N(3/1)[d]	O,N(3/1)[d]	Y	O,Y	Y
NM	O,Y	Y	Y	O,Y	O,Y
NV	N(6/1)[c]	Y	Y	Y	N(2/1)[j]
NY	Y	O,Y	Y	Y	O,Y
OH	Y	O,Y	Y	Y	Y

State	Provisions				
	Annual notices	Application fee	Collection of spousal/child support	Extension of Medicaid eligibility	Federal tax refund offset
OK	N(10/1)[c]	Y	O,N(3/1)[d]	Y	Y
OR	Y	O,Y	Y	Y	Y
PA	Y	Y	Y	Y	Y
RI	Y	Y	O,Y	Y	Y
SC	N(7/1)[d]	O,Y	Y	Y	O,Y
SD	N(7/1)[cde]	Y	Y	Y	Y
TN	O, N[i]	O,Y	O,Y	Y	Y
TX	N(2/1)[bc]	Y	N[i]	Y	Y
UT	Y	Y	O,Y	Y	Y
VA	N(7/1)[c]	O,Y	Y	Y	O,Y
VT	N(12/15)[bc]	Y	Y	Y	O,Y
WA	N(10/31)[e]	Y	Y	Y	Y
WI	N(10/1)[j]	Y	Y	O,Y	Y
WV	Y	Y	Y	N[i]	Y
WY	N(4/1)[c]	Y	Y	Y	O,Y

Key: Y - States with full implementation.
O - State requires legislation for full implementation.
N - States without full implementation (expected date of implementation or enactment a. reasons for delay b-j).

Notes:

[a]Dates are 1986 unless otherwise indicated; where date is not given, state did not provide information.

[b]Administrative procedures not yet in effect.

[c]Changes in automated data processing system not yet in effect.

[d]State regulations not promulgated.

[e]Administrative procedures not developed.

[f]Information regarding payment of support disregards not available from AFDC agency.

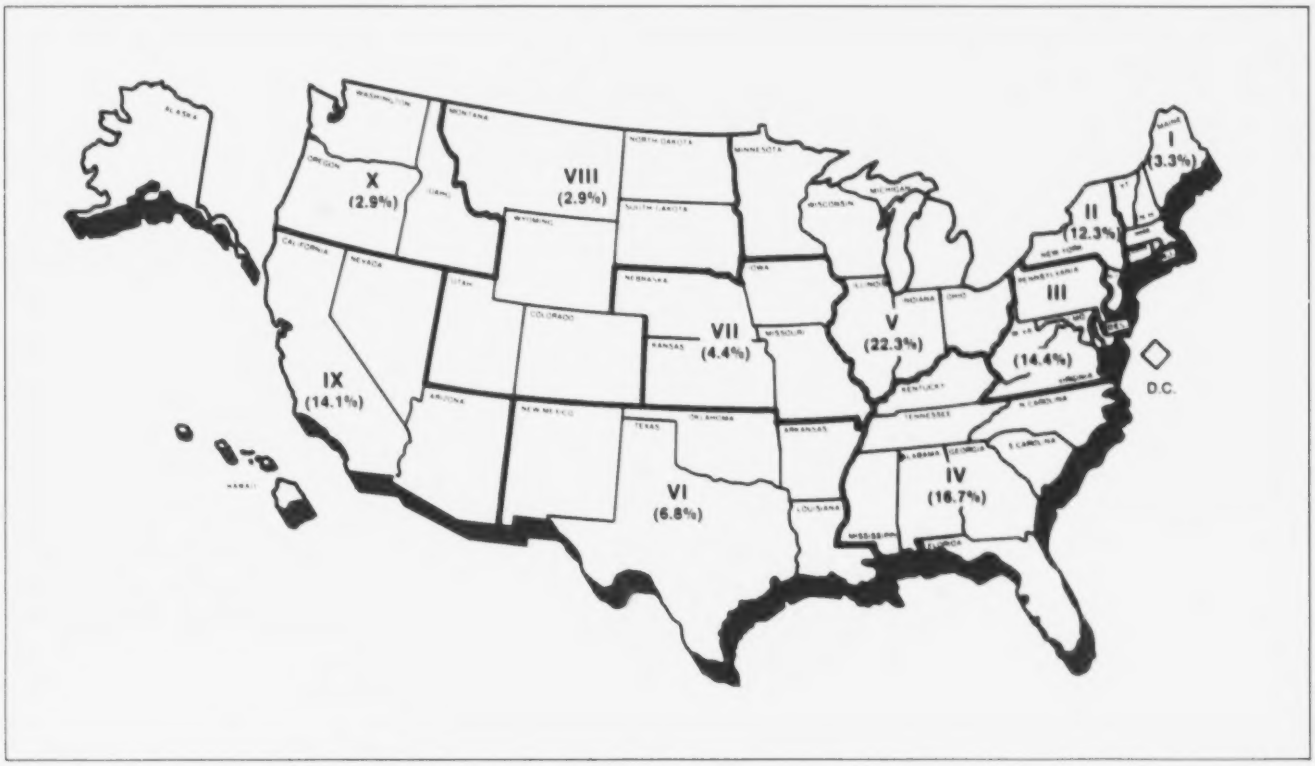
[g]Additional staff not yet hired.

[h]Staff training not completed.

[i]State was not informed of the requirement by the federal office of the Health Care Financing Administration.

[j]Reason not provided.

OCSE Regions and Their Child Support Caseloads as a Percent of the National Caseload (1984)



Explanation of Discrepancies Between States' And OCSE Reported Data

We compared states' questionnaire responses with similar information collected by OCSE, totaling 1,071 pairs of data items. Following is a description of the discrepancies we identified, including those we reconciled and those we were unable to reconcile.

Of the 264 discrepancies we found in 1,071 pairs of data items, 120 (45 percent) related to states' enactment status and 144 (55 percent) related to their implementation status. Of the 120 discrepancies regarding enactment, 110 were cases in which the state said that it had fully enacted legislation and OCSE said that it had not. In 10 cases, states reported that they had not enacted all required legislation and OCSE said that they had.

Of the 144 discrepancies related to implementation, 98 were cases in which the state reported that it had fully implemented a provision and OCSE reported that the state had not. In 46 cases, states reported that they had not fully implemented a provision and OCSE said that they had.

Of the 28 cases that we could not reconcile (see also p. 58), 26 were cases in which the states reported that they had not fully implemented a provision while OCSE reported that they had; 2 were cases in which the states reported having fully implemented the provision while OCSE reported that they had not. In addition, of the 28 discrepancies that we could not reconcile, 12 related to the annual notices provision, 5 to wage withholding in non-IV-D orders, 4 to collection of spousal and child support, 3 to extending Medicaid eligibility, 2 to the application fee provision, and 1 each to the liens and posting of security/bond provisions.

Based upon discussions with OCSE and state officials, we determined that discrepancies occurred because of the following reasons:

- Differences between states' and OCSE's interpretations regarding full enactment of state legislation (102 cases or 39 percent). In 93 cases, for example, states reported to us that for one or more provisions, they had fully enacted legislation; on the other hand, OCSE reported that the state had not fully enacted required legislation because the legislation lacked one or more procedures.
- Differences between the states' and OCSE's interpretation regarding full implementation status (69 cases or 26 percent). In 65 of these cases, for example, a state reported to us that it had fully implemented a provision although it had not passed all the required legislation.

- Time lags (1) associated with OCSE headquarters receiving updated information on states' enactment or implementation status from OCSE regional offices or (2) between the dates that states completed our questionnaire and the point at which we completed our analysis of their implementation status, based upon our review of the most recently updated OCSE reports (57 cases or 22 percent).
- The state official completing our questionnaire (1) did not have sufficient knowledge about the state's enactment or implementation status for a certain provision or (2) misinterpreted the question (5 cases or 2 percent).
- Regarding the annual notices provision, states responded that they had not sent the notices, although procedures necessary to do so were in effect. On the other hand, OCSE had reported the states as having fully implemented the provision because procedures were in place (3 cases or 1 percent). Preestablished OCSE instructions require states to have procedures in place by October 1, 1985, but do not require states to send the notices until October 1, 1986.

The remaining 28 discrepancies were cases in which:

- OCSE reported a state as having implemented a provision because its state plan submission indicated it had fully implemented the provision, yet the state reported in our questionnaire that it had not fully implemented the provision (16 cases).
- States reported in our questionnaire having not fully implemented a provision because needed changes had not been made to their program's automated data processing systems; on the other hand, OCSE reported the states as having fully implemented the provision because OCSE does not require state programs to have a functional automated data processing system in order to meet full implementation requirements (5 cases).
- OCSE reported a state as not having implemented a provision if it had not yet received the state's plan while the state reported to us that it had fully implemented the provision (1 case).
- States and OCSE differed in their interpretations of the states' implementation status with explanations which we could not reconcile (6 cases).

In addition, we compared states' responses regarding their implementation of the five selected wage-withholding procedures with information obtained from OCSE regarding states' progress in enacting each of the five procedures. We found that in 13 of 119 instances (11 percent) in

which a state reported having fully implemented one of the five procedures, OCSE had determined that the state had not fully enacted legislation relating to that procedure. Table IV.1 shows a breakout of the 13 discrepancies:

Table IV.1: Thirteen Discrepancies Found Between the States' and OCSE Reported Data on Wage Withholding

Procedures	Number of discrepencies
Wage withholding is automatic	5
Withholding is triggered when support payments are delinquent in an amount equal to 30 days	4
Withholding applies to interstate as well as intrastate cases	2
The state adequately documents, tracks, and monitors withheld support payments	2
Withholding applies to AFDC as well as non-AFDC clients	0

According to OCSE officials, the discrepancies may have occurred because the states may believe that implementation is accomplished once they use a procedure, even though they have not enacted required state legislation.

Comments From the Department of Health and Human Services

DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

SEP 15 1986

Mr. Richard L. Fogel
Director, Human Resources
Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Fogel:

The Secretary asked that I respond to your request for the Department's comments on your draft report, "Child Support: States' Progress in Implementing the 1984 Child Support Enforcement Amendments." The enclosed comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

We appreciate the opportunity to comment on this draft report before its publication.

Sincerely yours,

For Richard P. Kusserow
Inspector General

Enclosure

COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES ON THE U. S. GENERAL ACCOUNTING OFFICE'S DRAFT REPORT, "CHILD SUPPORT: STATES' PROGRESS IN IMPLEMENTING THE 1984 CHILD SUPPORT ENFORCEMENT AMENDMENTS"

In reviewing the draft report we noted several areas of concern that are pervasive throughout the text of the document.

First, the Congress noted the complexity of the changes that must be made in State law and procedures in response to the Amendments. Because of the nature of these changes, all States were required to make statutory changes. The date by which a State is to have implemented the mandatory practices is driven by the date on which the legislature of that State adjourns on or after October 1, 1985. The report consistently speaks of an October 1, 1985 implementation date for all requirements and fails to adequately explain that States actually have until the beginning of the fourth month after the end of the legislative session which ends on or after October 1, 1985, to meet those requirements imposed by the Amendments for those mandatory practices. This is misleading in two significant ways. In comparing implementation with the October 1 date, progress is shown as significantly slower than what is expected. Since many States had until the summer of 1986 to pass and implement laws, the vast majority of the progress did not occur until after the GAO study period. Also, as stated earlier, the complexity of the changes is understated.

Comparing implementation activity with the October 1 date leads to another general problem with the presentation of the data in the report. Specifically, that relates to what the Office of Child Support Enforcement (OCSE) could and has done to notify States as to the requirements imposed by the Amendments and the action necessary by individual States to meet those requirements. It should be noted that notices of conformity cannot be sent until after the law requires the State to have implemented the provision. Prior to such notices being sent it has been OCSE's intent to make certain that all States were aware of the requirements and what detailed actions were required to make each State law conform to those requirements. We are concerned that GAO has not noted the variety of instructions that States have received. First, the Department published a Notice of Proposed Rulemaking (NPRM) in the Federal Register in September, 1984. This NPRM detailed the specific requirements of the law and those few regulatory requirements that the Secretary imposed beyond the statutory ones. This NPRM was used by some States to draft legislation for introduction in the next session of their State legislature. The final rule to implement the Amendments was published in the Federal Register in May 1985.

In order to ensure that OCSE monitored the progress of the passage and implementation of laws and was able to identify early in the process any problems that were being encountered, the Office developed a Legislative Tracking System (LTS) in September 1984. This system reports data for all requirements and generated the data used by GAO in validating the States' responses to the GAO questionnaire. This system is driven by our Regional Offices reporting on the activity in States. The Regions immediately report when the State has completed milestones in the implementation process. Accomplishment is measured by criteria appropriate for the milestone being evaluated. For example, introduction and passage of laws is reported when the legislature takes action while implementation is reported when a State agency or court has issued and begun using procedures. Regions verify information before reporting it through the LTS. For example, the implementation of a provision would not be reported until the Region had knowledge that the State was using the procedure as required or the State had submitted a State plan certifying that they use the procedure and the Region had approved that plan. This system has been instrumental in OCSE's ability to be proactive in its efforts to ensure timely implementation of all provisions of the Amendments. To support the LTS and to ensure that all State laws were analyzed in a consistent manner, OCSE developed, in June 1985, a Legislative Analysis Checklist (LAC). This document is used by OCSE to review and document where State law conforms to the Federal requirements imposed by the Amendments. The LAC records the specific section of the State law that contains provisions for the requirement and allows for the Region to annotate which provisions are not covered by the State statute. All relevant State legislation has been analyzed using this document by both OCSE and the Regional Chief Counsel of the Office of the General Counsel. These documents were shared with GAO and used by them in analyzing the individual State responses to the GAO questionnaire.

In October 1985, OCSE sent a letter to each State notifying it of the changes necessary for the State to conform to the requirements of the Amendments. This letter was based upon the analysis of the State's law discussed in the previous paragraph. In order to ensure that State legislators were aware of the required changes, OCSE worked with the National Conference of State Legislatures (NCSL) in the distribution of an analysis of the 54 jurisdictions' laws relating to the Child Support Enforcement program. This document compares each State law to the provisions of the Amendments and specifically alerts the State legislators to areas where the State has law, needs to modify law, or needs to pass new law to conform to the Federal statute and regulations. A special notation is even made of things that can be accomplished by State regulation and/or procedure but which State legislatures may want to ensure by passing a statute or may want to monitor as a part of their oversight of State agencies.

OCSE has also worked with States in developing and analyzing legislation, by presenting testimony, and consulting with agencies as to procedures and policies. Feeling that this contact was not formal enough, OCSE writes to each State after its legislative session adjourns to advise the State it has until the beginning of the fourth

month after end of the session to implement all provisions of the mandatory practices. This letter details what State law has been enacted and where there are still provisions for which the State must either secure additional law or develop policy to cover the provision. If the State does not submit a State plan certifying that all provisions are in use by the beginning of that fourth month, OCSE sends a letter to the State advising them that the Federal law requires the State to have the mandatory procedures in use and that a State plan be submitted before the end of that fiscal quarter. If the State has not submitted the required State plan by the end of the quarter, the Director of the Office of Child Support Enforcement notifies the State by letter of its failure to conform to the required procedure and of the penalty involved. We feel that any misunderstanding on the part of a State as to the requirements imposed by the Amendments and of the penalty for not conforming to these requirements should be clarified by this series of notices.

The report consistently speaks of OCSE's reliance on "States' self-reports of implementation...." This characterization of the State plan process minimizes the importance of the State plan. It should be noted that the State plan is a certification by the State that it is conforming with requirements necessary to receive Federal Financial Participation for the operation of its program. The receipt of a State plan certifies that the requirements specified under 45 CFR 302 are operational and subject to review for compliance purposes by OCSE auditors. It should be further noted that OCSE does not approve a State plan until the analysis of State law indicates that authority exists and/or the State has demonstrated that it has developed rules, policies and procedures to adequately address the provision. The State plan process is the procedure that is used to document conformity. The GAO report misrepresents this process on page 60 by listing the required time frames for the four States which are neither based upon the potential effective dates established by the ending of their legislative sessions nor the dates on which State plans were due. With the exception of Massachusetts, these States submitted State plans covering all provisions in the required time.

The report also misrepresents the OCSE audit procedures. First, it should be noted that our audit procedures have always been to audit against not only what a State is required to do under Federal law and regulation but also what the State's law requires. OCSE is required to conduct a triennial audit effective October 1, 1983. Beginning with that audit period, auditors will on a case sample basis, determine whether States have and use the procedures required in their State plans. If one of the mandatory provisions included in the 1984 Amendments was effective prior to enactment of the Federal law, the State would be subject to an audit of that provision for all the audit periods in which it was effective in the State, not just those beginning October 1, 1986.

States' Implementation as of 8/15/86	Fully implemented	Not fully implemented	Has enacted full legislation	Needs to enact legislation	Legislation meets the major but not all requirements	Legislation does not meet major requirements	Had not enacted any legislation	OCSE Analysis of Legislation not completed	Percent of States Fully Implemented
Mandatory Wage Withholding	11	40	2	38	8	14	1	15	21.6%
State Tax Offset - 10 Exemp.	18	23	1	22	10	6		6	43.9
Wage Withholding in Orders	37	14	3	11		2	2	7	72.5
Expedited Process	15	36	2	34	2	12	9	11	29.4
Liens	39	12	2	10		4		6	76.5
Paternity Statutes	47	4	1	3			1	2	92.2
Posting Security/Bond	36	15	2	13		6	1	6	70.6
Consumer Credit	29	22	5	17		2	6	9	56.9
Annual Notices	46	5							90.2
Application Fee	51								100
Spousal/Child Support	51								100
Extension of Medicaid	48	3							94.1
Non-AFDC Tax Offset	51								100
Child Support Commissions - 11 Waivers	40								100

Note: This information shows states' implementation progress, according to OCSE data as of August 15, 1986. GAO did not reconcile these data with information from the states.